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**SF 2193** – Pay Equity, Civil Rights Protection (LSB5384SV)  
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Fiscal Note Version – New

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### **Description**

**Senate File 2193** establishes seven additional unfair or discriminatory practices relating to wages under Code section **216.6A**. Penalty and remedial provisions for discriminatory employment practices, including penalties specific to wage discrimination, are applicable under Code chapter **216** to violations of these requirements.

**SF 2193** also creates an equal pay task force to study the extent of discriminatory wage disparities in the public and private sectors, factors that cause or tend to cause such disparities, the consequences, and the actions likely to lead to the elimination and prevention of such disparities. The bill establishes the membership of the task force and requires the Iowa Civil Rights Commission (ICRC) to provide staffing services for the task force. The task force must submit a report regarding its findings and recommendations to the Governor and the General Assembly no later than December 22, 2017.

### **Background**

Under current law, it is an unfair or discriminatory practice for any employer to discriminate against an employee because of the age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability of an employee by paying wages to an employee at a rate less than the rate paid to other employees employed within the same establishment for equal work on jobs, the performance of which requires equal skill, effort, and responsibility, and are performed under similar working conditions (Iowa Code **216.6A**). **SF 2193** establishes seven additional practices considered to be unfair or discriminatory relating to wages under Code section **216.6A**.

The ICRC investigates claims of unfair employment practices prohibited under the Iowa Civil Rights Act of 1965. In FY 2015, the ICRC had 1,294 employment-related cases, comprising approximately 79.0% of the total cases docketed by the ICRC during that year.

### **Assumptions**

To enforce the new employment practices and provide staffing for the equal pay task force, the ICRC estimates it will need to:

- Hire two Civil Rights Specialists to enforce and develop new administrative regulations and enforcement procedures for the seven new prohibited actions. The ICRC is currently authorized for 28.0 full-time equivalent (FTE) positions, but only has funds to fill 26.0 FTE positions due to budget constraints.
- Contract with an outside company to perform a wage study.
- Contract for an economist to provide the required economic analysis for 18 months.
- Contract for a workforce specialist to provide the required workforce conclusions and recommendations for 18 months.
- Contract for a program planner for 18 months.
- Contract for clerical support to organize the task force and carry out its duties for 18 months.
- The fiscal estimate assumes that the staff is hired by September 2016.

**Fiscal Impact**

**SF 2193** will have a fiscal impact on the ICRC and result in increased General Fund expenditures for at least two years. The table below summarizes the estimated expenditures.

<b><u>Description</u></b>	<b><u>Per Year</u></b>	<b><u>Per Month</u></b>	<b>10 Months</b>	
			<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>
Civil Right Specialists	\$210,000	\$ 17,500	\$ 175,000	\$ 210,000
Clerical support*	60,000	3,333	33,333	26,667
Workforce Specialist *	162,000	13,500	135,000	108,000
Program Planner*	141,000	7,833	78,333	62,667
Wage Study	0	0	750,000	0
Economist*	0	0	180,000	0
Total expenditures:			<u>\$1,351,667</u>	<u>\$407,333</u>

\*18 month contract

**Source**

Iowa Civil Rights Commission

/s/ Holly M. Lyons

February 25, 2016

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the LSA upon request.